

## DETAILED ACTION

### *Decision on Appeal*

USPTO Board of Patent Appeals and Interferences (BPAI) issued a remand to the Examiner because a number of claims raised questions of statutory subject matter under 35 USC 101. The Examiner is to consider whether claims 1-53 state statutory subject matter in accordance with 35 USC 101, particularly in light of *In re Comiskey*, 499 F.3d 1365 (Fed. Cir. 2007).

Because the Appellant successfully established invention of the subject matter of the rejected claims prior to the effective date of Sharp, BPAI issued a remand to the Examiner to reconsider the extent to which the claims on appeal are obvious over Messer, Blinn, Appellant's admitted prior art (Specification: page 1, lines 7-19, Fig. 1 and Fig. 2) and other available prior art, particularly in light of *KSR International v. Teleflex Inc.*, 127 S. Ct. 1727 (2007) and *Leapfrog Enters., Inc. v. Fisher-Price, Inc.* 485 F.3d 1157 (Fed Cir 2007).

Consideration of obviousness over Messer, Blinn, Appellant's admitted prior art and other available prior art was given, yielding no single reference nor combination of references to compel a rejection on the merits of the claims under 35 USC 102 or 35 USC 103 based on prior art with a 102(b) date earlier than 17 March 1999 or a 102(e) date of earlier than 01 December 1998.

*Claim Rejections - 35 USC § 101*

The text of those sections of Title 35, U.S. Code not included in this action can be found in a prior Office action.

1. Claims 1-41 and 53 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

Based on Supreme Court precedent and recent Federal Circuit decisions, a process that consists of a series of steps or acts to be performed must i) be tied to another statutory class (such as a particular apparatus) or ii) transform underlying subject matter (such as an article or materials) to a different state or thing. If neither of these requirements is met by the claim, the method is not a patent eligible process under 35 USC 101. *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780, 787-88 (1876).

Patent statute does not allow patents to be issued on particular business systems, such as particular type of arbitration, that depend for their operation on human intelligence alone; in present case, claims for system and method for mandatory arbitration involving legal documents are unpatentable as directed to nonstatutory subject matter under 35 U.S.C. §101, since mental processes standing alone are not patentable, even if they have practical applications, since claims at issue do not require use of machine, and they do not describe process of manufacture or process for alteration of composition of matter, and since

claims instead cover use of mental processes to resolve legal dispute, and thus seek to patent use of human intelligence in and of itself.”

In the present application, method claims for processing a monetary transaction based upon receiving an order and pricing data are unpatentable as directed to nonstatutory subject matter under 35 U.S.C. §101, since mental processes standing alone are not patentable, even if they have practical applications, since claims at issue do not require use of machine, and they do not describe process of manufacture or process for alteration of composition of matter, and since claims instead cover use of mental processes to process a monetary transaction among manufacturers and retailers, and thus seek to patent use of human intelligence in and of itself.

*Claim Rejections - 35 USC § 112*

The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

2. Claims 42-52 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement.

The instant specification relies upon computers that execute instructions stored in machine readable medium. Inherent in the instant specification is the disclosed subject matter pertaining to machine readable medium having stored thereon instructions which when executed by a processor cause the machine to

perform operations. At the time the application was filed, the Applicant had possession of the claimed invention, but the claim(s) containing the underlined subject matter lack(s) written correspondence in the specification. Appropriate correction is required.

### *Conclusion*

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure:

- US 5,694,551 (Doyle et al.) 02 December 1997; teaches many-to-many ordering system connecting buyers with sellers via a central computer. Orders are directed to a selected seller and pricing is established using cost and profit data.
- Sportsite.com: Internet Archive Wayback Machine, [www.archive.org](http://www.archive.org), [www.sportsite.com](http://www.sportsite.com); May 1998, 49pgs; teaches online shopping using affiliates.
- fogdog.com: Internet Archive Wayback Machine, [www.archive.org](http://www.archive.org), [www.fogdog.com](http://www.fogdog.com); 16 Jan 1998; 2pgs; fogdog web site.
- Jastrow, David; "Vendors air concerns over EDI sites," Computer Reseller News, n788p45, 11 May 1998, Dialog #10196146, 2pgs; teaches solutions to dealing with sales channel conflict.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Robert M. Pond whose telephone number is 571-272-6760. The examiner can normally be reached on 8:30AM-5:30PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Mr. Jeff Smith can be reached on 571-272-6763. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Robert M. Pond/  
Primary Examiner, Art Unit 3625  
May 21, 2008

  
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TC 3600